

**VILLAGE OF CASTOR
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2000

Village of Castor
December 31, 2000

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Accountants' Compilation Report on the Financial Statements	---	1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3-4
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund Type	B	5
Statement of Revenues, Expenses and Changes in Retained Earnings-Proprietary Fund Type- Enterprise Fund	C	6
Statement of Cash Flows-Enterprise Fund Type-Utility Fund	D	7
Notes to Financial Statements	---	9-20
Independent Accountants' Report on Applying Agreed-Upon Procedures	E	21-23
Louisiana Attestation Questionnaire	F	24-26
Managements's Corrective Action Plan	G	27

Johnson, Thomas & Cunningham
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Castor

We have compiled the accompanying general purpose financial statements of the Village of Castor as of December 31, 2000, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

June 18, 2001
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

THIS PAGE LEFT BLANK INTENTIONALLY

Village of Castor

Combined Balance Sheet-All Fund Types and Account Groups
December 31, 2000

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>
<u>Assets</u>			
Cash & Cash Equivalents	\$111,437	\$0	\$ 23,146
Investments, at Cost	60,276	0	0
Revenue Receivable	2,006	0	2,091
Restricted Assets-			
Cash	0	0	9,975
Investments, at cost	0	0	4,000
Property, Plant, and Equipment-			
Land	0	0	11,250
Buildings and Improvements	0	0	0
Vehicles, Machinery, & Equipment	0	0	0
Water System	0	0	516,083
Sewer System	0	0	476,120
Less, Accumulated Depreciation	0	0	(321,612)
Amount Available for Payment of General Long-term Debt	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$173,719</u>	<u>\$0</u>	<u>\$ 721,053</u>

See accompanying notes and accountants' compilation report.

Account Groups		Totals
General Fixed	General Long-Term	(Memorandum Only)
<u>Assets</u>	<u>Debt</u>	<u>December 31, 2000</u>
\$ 0	\$ 0	\$ 134,583
0	0	60,276
0	0	4,097
0	0	9,975
0	0	4,000
0	0	11,250
23,100	0	23,100
27,052	0	27,052
0	0	516,083
0	0	476,120
0	0	(321,612)
<u>0</u>	<u>29,000</u>	<u>29,000</u>
<u>\$50,152</u>	<u>\$29,000</u>	<u>\$ 973,924</u>

Continued next page.

Village of Castor

Combined Balance Sheet-All Fund Types and Account Groups
December 31, 2000

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	\$ 228	\$0	\$ 1,292
Payable from Restricted Assets-			
Deposits Payable	0	0	9,336
Accrued Interest	0	0	1,375
Current Maturities of Revenue Bonds	0	0	1,000
Revenue Bonds Payable from			
Unrestricted Assets-			
Long-term	0	0	54,000
General Obligation Bonds Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	\$ <u>228</u>	\$ <u>0</u>	\$ <u>67,003</u>
Equity and Other Credits:			
Contributed Capital-			
From Municipality	\$ 0	\$0	\$ 65,324
From Grants	0	0	725,792
Investment in General Fixed Assets	0	0	0
Retained Earnings-			
Unreserved (Deficit)	0	0	(137,066)
Fund Balance-			
Unreserved-			
Undesignated	144,491	0	0
Reserved for Debt Service	<u>29,000</u>	<u>0</u>	<u>0</u>
Total Equity and Other Credits	\$ <u>173,491</u>	\$ <u>0</u>	\$ <u>654,050</u>
Total Liabilities, Equity, and Other Credits	\$ <u>173,719</u>	\$ <u>0</u>	\$ <u>721,053</u>

See accompanying notes and accountants' compilation report.

Account Groups		Totals
General Fixed	General Long-Term	(Memorandum Only)
<u>Assets</u>	<u>Debt</u>	<u>December 31, 2000</u>
\$ 0	\$ 0	\$ 1,520
0	0	9,336
0	0	1,375
0	0	1,000
0	0	54,000
<u>0</u>	<u>29,000</u>	<u>29,000</u>
\$ <u>0</u>	\$ <u>29,000</u>	\$ <u>96,231</u>
\$ 0	\$ 0	\$ 65,324
0	0	725,792
50,152	0	50,152
0	0	(137,066)
0	0	144,491
<u>0</u>	<u>0</u>	<u>29,000</u>
\$ <u>50,152</u>	\$ <u>0</u>	\$ <u>877,693</u>
\$ <u>50,152</u>	\$ <u>29,000</u>	\$ <u>973,924</u>

Village of Castor

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
General and Capital Projects (LCDBG) Fund Types
Year Ended December 31, 2000

	General Fund			Capital Projects (LCDBG) Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Remaining Budget
REVENUES:						
Taxes	\$ 36,000	\$ 19,289	\$(16,711)	\$ 0	\$ 0	\$ 0
Licenses & Permits	17,000	22,856	5,856	0	0	0
Intergovernmental	1,300	4,924	3,624	0	0	0
Interest	2,700	3,006	306	0	0	0
Fines & Forfeits	6,000	8,939	2,939	0	0	0
LCDBG	0	0	0	361,707	353,423	8,284
Miscellaneous	4,980	6,785	1,805	0	0	0
Total Revenues	\$ 67,980	\$ 65,799	\$(2,181)	\$361,707	\$353,423	\$ 8,284
Expenditures:						
Current-						
General Government	\$ 42,820	\$ 64,549	\$(21,729)	\$ 0	\$ 0	\$ 0
Public Safety	10,250	8,250	2,000	0	0	0
Capital Outlay-						
Administration	0	0	0	36,906	28,751	8,155
Public Works	0	0	0	324,801	324,672	129
Debt Service	2,725	2,500	225	0	0	0
Total Expenditures	\$ 55,795	\$ 75,299	\$(19,504)	\$361,707	\$353,423	\$8,284

Continued next page.

Village of Castor

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
General and Capital Projects (LCDBG) Fund Types
Year Ended December 31, 2000

	General Fund			Capital Projects (LCDBG) Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Remaining Budget
Excess (Deficiency) of Revenues over Expenditures	\$ 12,185	\$ (9,500)	\$ (21,685)	\$ 0	\$ 0	\$ 0
Other Financing Sources						
Proceeds of Insurance	0	67,100	67,100	0	0	0
FEMA	<u>0</u>	<u>36,819</u>	<u>36,819</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$ 12,185	\$ 94,419	\$ 82,234	\$ 0	\$ 0	\$ 0
Other Financing Sources (Uses)						
Operating Transfers Out	<u>(11,200)</u>	<u>(11,200)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 985	\$ 83,219	\$ 82,234	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>90,272</u>	<u>90,272</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 91,257</u>	<u>\$ 173,491</u>	<u>\$ 82,234</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes and accountants' compilation report.

Village of Castor

Statement of Revenues, Expenses, and Changes in Retained Earnings
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2000

OPERATING REVENUES:

Water Sales	\$ 31,526
Installation	190
Miscellaneous	<u>0</u>
Total Operating Revenues	\$ <u>31,716</u>

OPERATING EXPENSES:

Depreciation	\$ 26,648
Personnel	13,166
Utilities	6,185
Repairs & Maintenance	10,543
Supplies	5,532
Dues & Licenses	1,131
Vehicle Expense	2,016
Testing	<u>1,200</u>
Total Operating Expenses	\$ <u>66,421</u>

Operating Income (Loss) \$ (34,705)

NON-OPERATING REVENUES AND EXPENSES:

Interest Income	\$ 509
Interest Expense	(2,775)
Capital Outlay	<u>(14,286)</u>
Total Non-Operating	\$ <u>(16,552)</u>

Income (Loss) Before Transfer \$ (51,257)

Operating Transfer-
From General Fund \$ 11,200

Net Income (Loss) \$ (40,057)

Retained Earnings (Deficit)-
Beginning of Year (97,009)

Retained Earnings (Deficit)-
End of Year \$ (137,066)

See accompanying notes and accountants' compilation report.

Village of Castor

Statement of Cash Flows-Enterprise Fund Type
Utility Fund
Year Ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating Income (Loss) for the Year	\$ (34,705)
Adjustment to Reconcile Net Loss to Net Cash Provided by Operating Activities-	
Depreciation	26,648
Changes in Assets on Liabilities-	
(Increase) Decrease in Accounts Receivable	600
Increase (Decrease) in Accounts Payable	806
Increase in Customer's Deposits	560
Decrease in Accrued Interest	<u>(25)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (6,116)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Transfer from Other Funds	\$ 11,200
Increase in Contributed Capital-Grant	<u>12,500</u>
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 23,700</u>

CASH FLOWS FROM CAPITAL ACTIVITIES:

Increase in Restricted Assets	\$ (712)
Interest Paid on Bonds	(2,775)
Principal Paid on Bonds	<u>(1,000)</u>
Total Cash Flows from Capital Activities	<u>\$ (4,487)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest Income	\$ 509
Purchase of Assets	<u>(14,286)</u>
Cash Flows from Investing Activities	<u>\$ (13,777)</u>

Net Increase (Decrease) In Cash \$ (680)

Cash-Beginning of Year 23,827

Cash-End of Year \$ 23,147

See accompanying notes and accountants' compilation report.

NOTES TO THE FINANCIAL STATEMENTS

Village of Castor
Notes to Financial Statements
December 31, 2000

INTRODUCTION

Pursuant to the provisions of Section 11, of the Act No. 136, of the Session Acts of the General Assembly of the State of Louisiana, approved July 13, 1898, and Acts amendatory thereof, the Village of Castor, Louisiana, (Village) was declared a corporation by Proclamation executed by Governor John M. Parker on June 26, 1920. The Village is located in Ward 3 of Bienville Parish, State of Louisiana, and is managed by an elected Mayor and three aldermen. The Village provides a basic range of municipal services. These include police protection, public works (streets and lights), public improvements, water and sewer services, planning and zoning, social, cultural and general administration services. Management is compensated for services rendered to the Village. The population of the Village is 230 with 150 water and sewer customers. The Village has four employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Village of Castor, Louisiana (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The Village of Castor (Village) is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

C. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Village:

Village of Castor
Notes to Financial Statements
December 31, 2000

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. Fixed assets and long-term debt of the general fund is accounted for in the Account Groups as described below under Account Groups.

Proprietary Fund Type

The Proprietary Fund (Enterprise Fund) is operated on a fund basis whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Fixed assets and long-term debt are recorded in the Proprietary Fund (Enterprise Fund).

Account Groups

General Fixed Assets Account Group - This group is established to account for all fixed assets of the Village Governmental Fund(s) - General Fund.

General Long-term Debt Account Group - This group is established to account for all long-term debt of the Village Governmental Fund(s) - General Fund, and for those long-term liabilities to be liquidated with resources to be provided in future periods.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types (General Fund) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types (General Fund). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than long-term debt, are recorded when the related fund liability is incurred, if measurable.

Village of Castor
Notes to Financial Statements
December 31, 2000

Revenues from local sources consist primarily of sales taxes, property taxes, occupational licenses, utility franchise taxes, and tobacco taxes. Property tax revenues are recorded when susceptible to accrual. Other revenues, other than grants, are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

The proprietary fund type (Enterprise Fund) is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposit and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. INVENTORIES

Supplies are purchased in immaterial quantities and are recorded as expenditures in the General Fund and expenses in the Enterprise Fund.

G. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The specific restrictions are as follows:

Village of Castor
Notes to Financial Statements
December 31, 2000

The Enterprise Fund revenue bond is secured and payable in principal and interest exclusively by a pledge of the income and revenues of the Enterprise Fund Sewer System (System), subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system.

All of the income and revenues to be earned by the operation of the System shall be deposited in a separate and special bank account designated as the "Sewer Revenue Fund". This bank account shall be maintained for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the System.
- (b) Monthly transfer of (1/12th) of the total principal and interest requirement falling due in the ensuing year to an account designated as the "Sewer Revenue Bond and Interest Sinking Fund". Interest earned on the Sewer Revenue Bond and Interest Sinking Fund shall be deposited in the Sewer Revenue Fund.
- (c) Monthly transfer of (5%) of the amount to be paid into the aforesaid Sinking Fund provided for in paragraph (b) above, to an account designated as the "Sewer Reserve Fund". Such transfers to continue until the Sewer Reserve Fund has accumulated a balance equal to the highest combined principal and interest on the Bonds falling due in any year. Interest earned on the Sewer Reserve Fund shall be deposited in the Sewer Revenue Fund.
- (d) Monthly transfer of twenty-nine dollars (\$29.00) to an account designated as the "Depreciation and Contingency Fund" to be used for extensions, additions, improvements, replacements, and system depreciation necessary to properly operate the System. Interest earned on the Depreciation and Contingency account shall be added to the Depreciation and Contingency account.

H. FIXED ASSETS AND DEPRECIATION

Property, plant and equipment of all funds are stated at historical cost. Donated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. Proprietary Fund Fixed assets are recorded in the Enterprise Fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Water System	10-35
Sewer System	25-40

Land is recorded at cost and not depreciated.

Village of Castor
Notes to Financial Statements
December 31, 2000

I. COMPENSATED ABSENCES

The Village has no formal leave policy. Therefore, no liability for compensated absences exists.

J. BUDGETS

The Village is required by state law to adopt an annual budget for the General Fund. The General Fund budget is presented on the modified accrual basis of accounting. This basis is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- (a) Prior to December 15 of the preceding calendar year, the Village prepares a budget for the next succeeding year beginning January 1, for the General Fund.
- (b) The proposed budget is made available for public inspection at the Village office.
- (c) Action necessary to adopt and finalize the budget is completed prior to year end.
- (d) After adoption, a certified copy of the budget is retained by the Mayor at the Village office.
- (e) The budget amounts are compared to actual amounts on a monthly basis and when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more, or when actual expenditures or expenses plus projected expenditures or expenses to year end exceed budgeted expenditures or expenses by five percent or more the budget is amended.
- (f) All budget appropriations lapse at the end of the year.

K. LONG-TERM LIABILITIES

Long-term debt of the General Fund is recognized in the General Long-term Debt Account Group.

Long-term debt of the Enterprise Fund is recognized within the Enterprise Fund.

L. PROPERTY TAXES

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

Village of Castor
Notes to Financial Statements
December 31, 2000

For the year ended December 31, 2000, 14 mills were levied on property for the payment of general obligation bonds.

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment Date	January 1, 2000
Levy Date	June 1, 2000
Tax Bills Mailed	November 15, 2000
Total Taxes are Due	December 31, 2000
Penalties and Interest are Added	January 1, 2001
Lien Date	No Set Policy
Tax Sale	No Set Policy

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year.

Assessed values are established by the Bienville Parish Tax Assessor each year on a uniform basis at the following percent of fair market value:

Land	10%
Residential	10%
Industrial	15%
Machinery	15%
Commercial	15%
Public Service (excluding land)	25%

A reevaluation of all property is required to be completed no less than every four years. A reevaluation was completed for the tax roll of January 1, 2000.

M. BAD DEBTS

Uncollectible amounts are charged against earnings at the time information becomes available which indicates the particular account is uncollectible.

N. TOTAL COLUMNS (MEMORANDUM ONLY)

The total columns on the combined balance sheet - all fund types is captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

Village of Castor
Notes to Financial Statements
December 31, 2000

O. INTERFUND TRANSACTIONS

The Village has several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of the expenditures or expense in the fund that is being reimbursed. Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to, or deductions from, fund balance. All other transfers are treated as operating transfers and are included in the results of operations of governmental funds.

P. EQUITY AND OTHER CREDITS

Contributed Capital - Grants, entitlement, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired for such contributions.

2. CASH AND CASH EQUIVALENTS

At December 31, 2000, the Village has unrestricted cash and cash equivalents (book balances) totaling \$134,584 as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
General Fund Operating	\$107,785	\$ 0
Petty Cash	25	0
Property Tax Savings	3,627	0
Water/Sewer Operating	<u>0</u>	<u>23,147</u>
Total	<u>\$111,437</u>	<u>\$23,147</u>

3. INVESTMENTS

At December 31, 2000, the Village has investments totaling \$60,276, and are as follows:

Certificates of Deposit at Bank of Ringgold, LA	<u>\$60,276</u>
----------------------------------------------------	-----------------

The certificates of deposit have maturities of more than 90 days.

Village of Castor
Notes to Financial Statements
December 31, 2000

4. RESTRICTED ASSETS

The Enterprise Fund has restricted assets as follows:

Water & Sewer Customer Deposits-	
Sewer Revenue Account	\$ 9,975
Certificate of Deposit	<u>4,000</u>
Total	<u>\$13,975</u>

5. INSURANCE OF BANK BALANCES

At December 31, 2000, the Village had total cash and cash equivalents, investments, and restricted cash of \$208,834. All funds were covered by federal depository insurance (FDIC).

6. PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in general fixed assets is as follows:

<u>Items</u>	<u>Balance 12-31-99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-00</u>
Buildings	\$27,670	\$18,700	\$27,670	\$18,700
Vehicles & Equipment	27,052	0	0	27,052
Office Furniture & Equipment	<u>4,494</u>	<u>4,400</u>	<u>4,494</u>	<u>4,400</u>
Total	<u>\$59,216</u>	<u>\$23,100</u>	<u>\$32,164</u>	<u>\$50,152</u>

Property, Plant, and Equipment recorded in the Village's Enterprise Fund at December 31, 2000 are:

	<u>Water System</u>	<u>Sewer System</u>	<u>Totals</u>
Carrying Value	\$404,898	\$292,341	\$697,239
Less, Accumulated Depreciation	<u>125,930</u>	<u>195,682</u>	<u>321,612</u>
Net Investment in Fixed Assets	<u>\$278,968</u>	<u>\$ 96,659</u>	<u>\$375,627</u>

The Water System and Sewer System are depreciated on a straight-line basis over their estimated useful life of 10-40 years.

Village of Castor
Notes to Financial Statements
December 31, 2000

7. LONG-TERM LIABILITIES

General Long-term Debt

General Obligation Bonds of the Village, \$22,000, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 2000 is \$14,500

General Obligation Bonds of the Sewer District No. 1, \$22,000, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 2000 is \$14,500

During 2000, interest of \$1,550 was charged on the above General Obligation Bonds. The annual principal requirements for the next five years are as follows:

July 15, 2001	\$1,000
July 15, 2002	1,000
July 15, 2003	1,000
July 15, 2004	1,000
July 15, 2005	<u>1,000</u>
Total	\$ 5,000
July 15, 2006-2023	<u>24,000</u>
Total	<u>\$29,000</u>

The following is a schedule of changes in General Long-term Debt:

Balance at January 1, 2000	\$30,000
Less, Payments	<u>1,000</u>
Balance at December 31, 2000	<u>\$29,000</u>

Village of Castor
Notes to Financial Statements
December 31, 2000

Revenue Bonds

The revenue bonds are accounted for in the Enterprise Fund and consists of the revenue bonds of the Village of Castor, LA - \$70,000.00, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 2000 is \$55,000. During 2000, interest of \$2,775 was charged on the revenue bonds. The annual principal requirements for the next five years are as follows:

July 15, 2001	\$ 1,000
July 15, 2002	1,000
July 15, 2003	1,000
July 15, 2004	1,000
July 15, 2005	<u>1,000</u>
Total	\$ 5,000
July 15, 2006-2023	<u>50,000</u>
Total	<u>\$55,000</u>

The following is a summary of bond transactions of the Village for the year ended December 31, 2000:

	<u>Revenue Bonds</u>
Bonds Payable at January 1, 2000	\$56,000
Less, Bonds Retired	<u>1,000</u>
Bonds Payable at December 31, 2000	<u>\$55,000</u>

8. FUND DEFICIT

At December 31, 2000, the unreserved retained earnings deficit of the Enterprise Fund totals \$(137,066). Management plans to make necessary operating transfers over the next five years to reduce or eliminate the deficit balance in retained earnings.

9. COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN

During 2000, the following amounts were paid to the Mayor and Board of Aldermen:

Lane R. Freeman - Mayor's Salary	\$3,996
Aldermen-	
Charles Harper	600
Frank Sullivan	600
Mark Plunkett	<u>600</u>
Total	<u>\$5,796</u>

Village of Castor
Notes to Financial Statements
December 31, 2000

10. Receivables:

The following is a summary of receivables at June 30, 2000:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
Taxes-		
Sales Taxes	\$1,820	\$ 0
Fines & Forfeits	186	0
Water & Sewer Sales	<u>0</u>	<u>2,091</u>
Total	<u>\$2,006</u>	<u>\$2,091</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderman of
the Village of Castor

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Castor and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Castor's compliance with certain laws and regulations during the year ended December 31, 2000 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None found.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.
There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year exceed budgeted amounts by more than 5%.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments examined were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All payments examined were properly approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Castor is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

None found.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Castor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

June 18, 2001

Natchitoches, Louisiana

VILLAGE OF CASTOR
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your compilation of our financial statements as of December 31, 2000 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date of this questionnaire.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes X No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes X No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes X No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes X No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes X No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes X No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Secretary JoAnn Sutton

Date 6/18/01

Mayor Lane R. Freeman

Date 6/18/01

Note - Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contact with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.

VILLAGE OF CASTOR

P. O. Box 216
Castor, LA 71016

MANAGEMENT'S CORRECTION ACTION PLAN

Please accept this as management's
corrective action plan in response to your report

Condition - For the year ending December 31, 2000, we noted that the Village is in violation of the Local Government Budget Act in that the actual revenues or expenditures exceed budget amounts by more than 5%.

Corrective Action - The Village will monitor the revenues and expenditures during the year to make sure they do not exceed the budgeted amounts and make budget amendments before year-end if this situation occurs again.

Lane Freeman

Lane Freeman
Mayor